



September 2, 2015

Mary Nichols, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Re: Draft Concept Paper for Cap-and-Trade Auction Proceeds Second Investment Plan**

Dear Chair Nichols:

I am writing on behalf of members of California Biodiesel Alliance (CBA) to commend the California Air Resources Board (ARB) on its Draft Concept Paper for the Cap-and-Trade Auction Proceeds Second Investment Plan (Concept Paper). CBA is California's biodiesel industry trade association, representing over 40 businesses and stakeholders, including all of the state's biodiesel producers.

CBA and its member companies have been actively engaged on the development and implementation of the Low Carbon Fuel Standard, which is an important element of the Governor's overall goal to achieve a greenhouse gas emissions reduction of 40% below 1990 levels by 2030. Low carbon biofuels have helped to achieve a significant reduction in carbon emissions. In fact, last year low carbon biofuels produced in California reduced carbon emissions by approximately 300,000 metric tons, which is equivalent to removing 60,000 cars from our roads. We know more can be achieved!

CBA appreciates ARB's recognition and recommendation of low carbon fuels in the agency's Concept Paper incentives for in-state production. The ultimate adoption of this recommendation will send a strong signal to the industry that ARB and the State of California see a vital role for low carbon biofuels produced in state.

California currently has seven biodiesel production plants, three plants under construction, and additional expansion underway at two existing facilities. In 2014, in-state production reached 25.96 million gallons. However, more growth can be achieved in this industry with investment from the state.

CBA appreciates ARB's support and the opportunity to comment. We look forward to continuing to work with you to enhance the industry and reduce greenhouse gas emissions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Curtis Wright".

Curtis Wright  
Chairman